

SENATE BILL 9

**"Authorizing the Use of Petroleum Mixing Zones in the Remediation & Resolution of
Petroleum Releases"**

PETROLEUM TANK RELEASE COMPENSATION FUND

Legislation adopted in 1989 created the "Fund" in response to the EPAs requirement that owners/operators of underground petroleum storage tanks obtain \$1 million in insurance for the cleanup of spills and leaks at their facilities. Most states created some type of fund to provide this type of financial assurance as this private insurance was neither available nor affordable.

The "Fund" assists owners/operators with the expenses of remediation if they are in full compliance with all regulatory requirements.

The "Fund" receives revenues from a .075 cents per gallon tax on all fuel sold in the State. At this time the "Fund" generates approximately \$6.5 million per year. Revenues have been dropping about 7% per year for the last four years. Administrative expenses consume almost 45% of revenues leaving approximately \$3.2 million to pay for claims in cleanup remediation.

Because of decreasing revenues and increasing costs, the Board has had to implement a prioritization schedule in the payment of claims for in paying only for those sites that have high risk. Lower priority sites have to wait for payment some times for a year or two.

The Environmental Quality Council has had the "Fund" under review for the last several years; SB9 is a recommendation based on financial concerns in assuring the program remains viable by controlling long term costs associated with monitoring and testing at sites that cannot be further remediated.

Information provided by:

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